



House of Representatives

General Assembly

File No. 504

February Session, 2002

House Bill No. 5498

House of Representatives, April 16, 2002

The Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING A NEW CONNECTICUT FUTURES ACCOUNT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2002*) (a) The Board of Governors
2 of Higher Education may establish and administer an account to be
3 known as the gear up for Connecticut futures account. The account
4 shall be a separate and nonlapsing account within the General Fund.
5 The account shall be used for scholarships pursuant to the federal
6 GEAR UP program, 20 USC 1070a-21 et seq. The board may deposit
7 state funds appropriated as a state match to the federally funded
8 GEAR UP grant in the account.

9 (b) The Treasurer may invest in accordance with section 3-31a of the
10 general statutes, any moneys in the account not needed for current
11 disbursement for scholarships. The interest derived from such
12 investment shall be credited to the account.

This act shall take effect as follows:
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Section 1	<i>July 1, 2002</i>
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ED *Joint Favorable C/R*

APP

APP *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
GF - Revenue Loss	Treasurer	-	100,000 - 200,000	100,000 - 200,000
GF - See Below	Higher Ed., Dept.	-	-	-

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires that an account, administered by the Department of Higher Education, be established for scholarships under the federal Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP).¹ The bill requires the “GEAR-UP for Connecticut Futures” account to be separate and non-lapsing and that the Treasurer credit all investment interest to the account. It is anticipated that the interests would be used to acquire additional federal match funding.

Last year, the state agreed to set aside funds in order to receive \$10 million in federal match GEAR UP funds. The State Treasurer currently holds an appropriation of \$2.5 million from the FY 01 surplus for this purpose. It is anticipated that over the course of the next four years that an additional \$1.5 million would be necessary to meet the federal match requirements.

¹ GEAR-UP seeks to assist low-income middle school students in developing the necessary skills and motivation needed to succeed in college.

OLR Bill Analysis

HB 5498

AN ACT CONCERNING A NEW CONNECTICUT FUTURES ACCOUNT**SUMMARY:**

This bill allows the Board of Governors (BOG) of Higher Education to establish and administer a "Gear Up for Connecticut Futures" account as a separate and nonlapsing within the General Fund. It requires the account to be used for scholarships under the federal GEAR UP program. It allows BOG to deposit in the account state funds appropriated as the state match to a federally funded GEAR UP grant.

The bill allows the treasurer to invest surplus account funds as the statutes authorize, but it directs her to credit all investment interest to the account.

EFFECTIVE DATE: July 1, 2002

BACKGROUND***Federal GEAR UP Program***

The federal Department of Education (DOE) created the "Gaining Early Awareness and Readiness for Undergraduate Programs" (GEAR UP) program in 1998 to fund partnerships between high-poverty middle schools and colleges, universities, community organizations, and businesses. These partnerships provide (1) tutoring; (2) mentoring; (3) college preparation and financial aid information; (4) an emphasis on core academic preparation; and (5) in some cases, scholarships. DOE chose to start the program no later than the seventh grade based on research showing that students who take difficult classes early tend to do well in high school and go on to college. GEAR UP aims to address the college opportunity gap by creating long-term mentoring relationships and working with entire grades to improve low-income schools.

COMMITTEE ACTION

Education Committee

Joint Favorable Change of Reference

Yea 30 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 49 Nay 0